

Weekly Compilation of
**Presidential
Documents**



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WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

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Week Ending Friday, June 7, 1996

**The President's Radio Address and
an Exchange With Reporters**

June 1, 1996

The President. Good morning. This week, the people of Israel, in a vigorous, very close election, voted to elect a new Prime Minister. Yesterday, I called Prime Minister-elect Netanyahu to congratulate him on his victory and to discuss America's enduring friendship with Israel, our commitment to its strength and security and to a lasting peace in the Middle East. I also spoke with outgoing Prime Minister Peres. I told him to take comfort in history's judgment. Decades from now, people will look back and see in Shimon Peres one of the great peacemakers of our time. Now, the partnership between Israel and the United States will be the foundation from which our two countries, together, continue to build a comprehensive, lasting, and secure peace in the Middle East.

Now I'd like to turn to the homefront and to some of our most important citizens, our children. Some of them have joined with me today along with their parents here in the Oval Office. And later today, they'll join tens of thousands of people to show their support for America's young people at the Stand for Children at the Lincoln Memorial.

This is an important time for America's children. They're growing up in a world that is changing rapidly. They need our help more than any generation before them. As Hillary says, children are not rugged individualists; they depend upon us—their parents and others in the community who love them—to give them love and guidance and discipline, to provide for them, and to defend them. That's as it should be. Their future and ours depends upon how well we do our job.

If our society sends our children the wrong signals, we should work together to change that. That's why I have proposed strict limits on tobacco advertising directed toward children. That's why we're giving parents the V-

chip and why we worked to persuade the TV networks to develop a rating system so parents can control the shows their children watch. That's why I support parents and communities who want to cut crime and improve discipline by adopting things like school uniforms and community curfews.

We are also working in other ways to strengthen our families and childrearing. We've enacted the family and medical leave law so parents can now take time away from their jobs to be with a newborn or an ill child without losing those jobs. We're immunizing our children more than ever. We've increased Head Start funding. We're making sure that teen mothers stay in school and turn their lives around. We've preserved the Federal school lunch program, which this week turns 50 years old and every school day helps 25 million of our children get the nutrition they need.

All of this makes a difference, but none of it matters as much as the most basic protection of all for our young people, their health care. Without medical care, a child who needs it cannot have a full life. That's why I deeply oppose the Republican plan to repeal the guarantee of quality health care for our children.

For three decades through the Medicaid program, we have had a national commitment that poor children, pregnant women, people with disabilities, and older Americans will not be denied health care simply because they can't afford it. That means today that working parents know in the awful event their child is disabled and their insurance and income won't cover the care, they'll get some help to keep their children at home. They know if their child becomes seriously ill and their savings are gone, they'll get some help so that they can hold the family together and keep working and going on.

Now, under the Republican congressional plan, hundreds of thousands of our children with disabilities could lose help for their

home care. Children that are seriously ill could lose some of their coverage from what is now available. In effect, this plan says to millions of our children, if you can't afford care, well, it's an option whether your State gives it or not, and they don't have to contribute as much as they used to. It says to people with disabilities, if you don't have insurance, I'm sorry if you don't happen to be able to get care from your State anymore. This could amount to child neglect for a whole generation.

Now, I vetoed this plan last year when the Republican Congress shut down the Government in an effort to force me to sign it. If they send it to me again, I will veto it again. In an attempt to force me to sign it, the Republicans are threatening to attach this proposal to welfare reform.

For nearly two decades, I've worked to end welfare as we know it. I want us to require more work, impose strict time limits, to crack down on child support enforcement. In the last 3½ years, without any congressional action, we have worked with 38 States to change old Federal rules so that we can move people from welfare to work. The rolls are down 1.3 million people, and child support collections are up nearly 40 percent.

Of course, we should do more. And we can reach agreement on sweeping bipartisan welfare reform legislation. But I will never accept the repeal of guaranteed health care for poor children or people with disabilities or older Americans or pregnant women. I don't care what bill they attach that to, I will not accept it.

These young people with me today and their families will take part in the stand for all our children that is unprecedented. Where our children are concerned, we should all stand together, and we should not be small. Our children are counting on us.

Thanks for listening.

Middle East Peace Process

Q. Mr. President, following the Israeli election, is there a message you'd like to send to the Arab world?

The President. Yes. Our policy hasn't changed. We still want an honorable peace in the Middle East. And we want all peace-loving people, especially those who have

been our friends and allies in the Arab world, to continue to work for that. I was very encouraged by what King Hussein said in his most recent reported remarks. And I hope that the friends of peace in the Arab world and the Middle East will continue to support it, and we will continue to work with them.

Q. Do you think there's undue concern in some of the Arab world? You know, this election, which was decided by less than 30,000 votes is out of—was at 3 million. It's being viewed as some kind of massive mandate and message. I mean, do you think there's a rush to judgment?

The President. I think we ought to give the new Prime Minister a chance to put his government together and develop a policy. We have—we've been pushing all over the world for democracy. And democracy means the people who vote get to determine who governs. That's what democracy means. Now, he said some very encouraging things to me on the phone and indeed in the election—in the 2 weeks leading up to the election.

I think it's obvious—if you look how closely divided the people of Israel are, I think that you could say an enormous number of the supporters of Prime Minister Peres wanted security as well as peace, and an enormous number of the supporters of Prime Minister-elect Netanyahu wanted peace as well as security. I think that that's what that close election means. It's a difficult environment, a tough neighborhood. There's a lot of history there. But he says he wants to continue the process. And I think that—I hope that the friends of peace in the Arab world will continue to be committed to that.

NOTE: The President spoke at 10:06 a.m. from the Oval Office at the White House. In his remarks, he referred to King Hussein I of Jordan.

Statement on Arms Reduction Agreements With Russia and Ukraine

June 1, 1996

Ukrainian President Kuchma has announced that all nuclear warheads have been removed from the territory of Ukraine. This is a remarkable achievement. In 1991, there

were more than 4,000 strategic and tactical nuclear warheads in Ukraine. Today there are none. I applaud the Ukrainian Government for its historic contribution in reducing the nuclear threat. When the Presidents of Ukraine, Russia, and I signed the January 1994 Trilateral Statement on this issue, we looked forward to a day that has now arrived.

The trust and cooperation the United States and Ukraine have established in resolving this issue are a cornerstone of a broad and productive relationship. Ukraine has embarked on a bold course of political and economic reform, laying the foundations for democracy and a market economy. We remain committed to supporting Ukraine through its ambitious and far-sighted reforms and to working with Ukraine and our European partners to promote Ukraine's integration into the European community.

I also want to note the fact that both the United States and Russia are ahead of the reduction schedule provided for in the START I Treaty. To date, the United States has eliminated 750 strategic nuclear delivery vehicles, and about 800 strategic nuclear delivery vehicles in the former Soviet Union have been eliminated, including more than 700 in Russia. The Cooperative Threat Reduction (Nunn-Lugar) program has played a major role in the elimination of these weapons in the former Soviet Union and in the denuclearization of Ukraine.

I have asked Secretary Perry to meet next week with his Ukrainian and Russian counterparts, Ministers Shmarov and Grachev, and mark the successful implementation of the Trilateral Statement by visiting a destroyed ICBM silo and a former nuclear weapons storage facility in Ukraine. In doing so, they will celebrate another important step in making the world safer for us all.

On this day of important milestones, I also welcome the agreement that was reached today in Vienna by the 30 nations party to the Conventional Forces in Europe (CFE) Treaty. This agreement resolves a difficult problem that had arisen concerning the level of Russian and Ukrainian military equipment allowed on the northern and southern flank of the CFE region.

This agreement is the culmination of 2 years of negotiations led by the United

States. I congratulate all parties, including our NATO allies, Russia, Ukraine, and the states of the Caucasus and Central and Eastern Europe, for their hard work, cooperation, and dedication to preserving the integrity and effectiveness of this crucial treaty.

The CFE treaty is a key element of a new, more stable Europe. The treaty has resulted in the destruction of over 50,000 tanks, armored combat vehicles, artillery pieces, combat aircraft, and attack helicopters. It has also established a system of transparency measures which will increase confidence through on-site inspections, notifications, and information exchanges.

Statement on the Tornado in Kentucky

June 1, 1996

Last Tuesday, many of you felt the real-life trauma caused by a powerful tornado. Many of your homes were damaged or destroyed. We have already begun to help you as you recover from this terrible storm. I have declared that a major disaster exists in portions of Kentucky and I have directed the head of the Federal Emergency Management Agency (FEMA), James Lee Witt, to make sure that Federal assistance is available immediately. FEMA will work with State and local efforts to make sure that help continues with speed and efficiency.

The good people of Kentucky have already begun to help their neighbors recover from this tornado, and I want to assure you that we will do everything we can to continue to do our part to help rebuild the affected communities.

Our hearts and prayers are with you.

Exchange With Reporters Prior to Discussions With Former President of Poland Lech Walesa

June 3, 1996

Balanced Budget Amendment

Q. Mr. President, Bob Dole is challenging you today to support a constitutional amendment to balance the budget. What do you say to Bob Dole?

The President. That he ought to come back to the budget negotiations and let's balance the budget.

Q. What's wrong with a constitutional amendment, though?

The President. He's pushed off the decision. Why don't we do it right now? We've got all the money we need. We can balance the budget tomorrow; all he has to do is come back to the negotiations. They walked out months ago. They should come back, take the savings we have in common, put it in the grill and, presto, we've got a balanced budget. We still have to make these decisions. That's what we ought to do.

Q. Do you think he's going to propose cutting taxes, and how would you respond to that?

The President. I don't know about that. I'm just going to work.

Q. How are you feeling, and have you picked a new Chief of Naval Operations?

President's Health

Q. How do you feel?

The President. Great.

NOTE: The exchange began at 11:32 a.m. in the Rose Garden at the White House. A tape was not available for verification of the content of this exchange.

Executive Order 13008—Amending Executive Order No. 12880

June 3, 1996

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the National Narcotics Leadership Act of 1988, as amended (21 U.S.C. 1501 *et seq.*), in accordance with Executive Order No. 12992 of March 15, 1996, and in order to provide for more effective management of the international narcotics control policies of the United States, it is hereby ordered that section 1(c) of Executive Order No. 12880 is

amended by deleting "Department of State" and inserting "Office of National Drug Control Policy" in lieu thereof.

William J. Clinton

The White House,
June 3, 1996.

[Filed with the Office of the Federal Register, 8:45 a.m., June 4, 1996]

NOTE: This Executive order was published in the *Federal Register* on June 5.

Memorandum on Trade With Former Eastern Bloc States

June 3, 1996

Presidential Determination No. 96-30

Memorandum for the Secretary of State

Subject: Determination Under Subsection 402(d)(1) of the Trade Act of 1974, as Amended—Continuation of Waiver Authority

Pursuant to subsection 402(d)(1) of the Trade Act of 1974, as amended (the "Act"), I determine that the further extension of the waiver authority granted by subsection 402(c) of the Act will substantially promote the objectives of section 402 of the Act. I further determine that the continuation of the waivers applicable to Albania, Armenia, Azerbaijan, Belarus, Georgia, Kazakstan, Kyrgyzstan, Moldova, Mongolia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan will substantially promote the objectives of section 402 of the Act.

You are authorized and directed to publish this determination in the *Federal Register*.

William J. Clinton

[Filed with the Office of the Federal Register, 8:45 a.m., June 7, 1996]

NOTE: This memorandum was published in the *Federal Register* on June 10.

Letter to Congressional Leaders on Trade With Former Eastern Bloc States

June 3, 1996

Dear Mr. Speaker: (Dear Mr. President:)

I hereby transmit the document referred to in subsection 402(d)(1) of the Trade Act of 1974, as amended (the "Act"), with respect to a further 12-month extension of the authority to waive subsections (a) and (b) of section 402 of the Act. This document constitutes my recommendation to continue in effect this waiver authority for a further 12-month period, and includes my reasons for determining that continuation of the waiver authority and waivers currently in effect for Albania, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan will substantially promote the objectives of section 402 of the Act. I have submitted a separate report with respect to the People's Republic of China.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate.

Statement on Signing the Coastal Zone Protection Act of 1996

June 3, 1996

I have today signed into law H.R. 1965, the "Coastal Zone Protection Act of 1996." This legislation will continue support for programs under the Coastal Zone Management Act of 1972 (CZMA) that balance coastal development with resource conservation.

The CZMA's voluntary Federal-State coastal management programs protect natural resources, stimulate coastal economic development, and help save lives and property. The programs also provide for monitoring of coastal conditions and research to address resource management issues.

Through their balanced approach and focus on Federal-State partnerships, CZMA programs have enjoyed bipartisan support throughout their 24-year history. The enact-

ment of H.R. 1965 demonstrates our Nation's resolve to keep our coasts clean, healthy, and productive for generations to come.

William J. Clinton

The White House,
June 3, 1996.

NOTE: This statement was released by the Office of the Press Secretary on June 4.

Remarks at the Princeton University Commencement Ceremony in Princeton, New Jersey

June 4, 1996

Thank you very much. President Shapiro, members of the faculty, alumni, to parents and friends of this graduating class, especially to the graduates of the class of 1996. Let me thank your co-presidents, George Whitesides and Susan Suh, who came to say hello to me this morning, and compliment your valedictory address by Bryan Duff and the Latin address by Charles Stowell. I actually took 4 years of Latin in high school. [Laughter] And even without being prompted, I knew I was supposed to laugh when he was digging me about going to Yale. [Laughter]

I want to also thank Princeton for honoring the high school teachers and the faculty members here for teaching, for today we celebrate the learning of the graduates, and we should be honoring the teachers who made their learning possible. I thank you for that.

It's a great honor to be here in celebrating Princeton's 250 years. I understand that Presidents are only invited to speak here once every 50 years. President Truman and President Cleveland—you've got to say one thing, for all the troubles the Democrats have had in the 20th century, we've had pretty good timing when it comes to Princeton over the last 100 years. [Laughter]

I want to thank President Shapiro for his distinguished service to higher education in our country. I thank Princeton for its long and noble service to our Nation. I also am deeply indebted to Princeton for the contributions it has made to our administration and to my Presidency.

My Press Secretary, Mike McCurry, sat in these seats in 1976. I'm sure that Princeton had something to do with the fact that he not only thinks but talks so fast. The Chair of our National Economic Council, Laura Tyson, was a Princeton professor then, and Mike McCurry's thesis adviser. And you got back from me Professor Alan Blinder, who was a distinguished member of the Council of Economic Advisers and the Vice Chairman of the Federal Reserve, and a brilliant contributor to our efforts to improve the economy. I want to thank Alan Blinder here among his colleagues and his students for what he has done.

I thank Tony Lake and Bruce Reed and John Hilley and Peter Bass, all members of our staff who graduated from Princeton. Two Princeton graduates who are no longer living, Vic Raiser and his son, Monty, were great friends of mine. Vic's wife, Molly, is here, our protocol chief. And if it hadn't been for him I might not be here today, and I want to recognize their contributions to Princeton and Princeton's gifts to them.

I also want to say that one of my youngest staff members is a classmate here, Jon Orszag. And when the ceremony is over, I'd like to have you back at work, please. *[Laughter]*

I would like to talk to the senior class today about not only the importance of your education, but the importance of everyone else's education to your future. At every pivotal moment in American history, Princeton, its leadership, its students have played a crucial role. Many of our Founding Fathers were among your first sons. A president of Princeton was the only university president to sign the Declaration of Independence. This hall was occupied by the British in 1776, liberated by Washington's army in 1777, and as the president said, sanctified forever to American history by the deliberations of the Continental Congress in 1783.

In 1896, the last time there was a class of '96, when Princeton celebrated its 150th anniversary and, as has been said, Grover Cleveland was President, Professor Woodrow Wilson gave his very famous speech, "Princeton in the Nation's Service." I read that speech before I came here today. And I'd like to read just a brief quote from it:

"Today we must stand as those who would count their force for the future. Those who made Princeton are dead, those who shall keep it and better it still live. They are even ourselves." What he said about Princeton 100 years ago applied then to America and applies to America even more today.

At the time of that speech 100 years ago, America was living as it is living today, through a period of enormous change. The industrial age brought incredible new opportunities and great new challenges to our people. Princeton, through Wilson and his contemporaries, was at the center of efforts to master these powerful forces of change in a way that would enable all Americans to benefit from them and protect our time-honored values.

Less than 3 years after he left this campus, Woodrow Wilson became President of the United States. He followed Theodore Roosevelt as the leader of America's response to that time of change. We now know it as the Progressive Era.

Today, on the edge of a new century, all of you, our class of '96, are living through another time of great change, standing on the threshold of a new Progressive Era. Powerful forces are changing forever our jobs, our neighborhoods, the institutions which shape our lives. For many Americans, this is a time of enormous opportunity. But for others, it's a time of profound insecurity. They wonder whether their old skills and their enduring values will be enough to keep up with the challenges of this new age.

In 1996, like 1896, we really do stand at the dawn of a profoundly new era. I have called it the age of possibility because of the revolution in information and technology and market capitalism sweeping the globe, a world no longer divided by the cold war. Just consider this: There's more computer power in a Ford Taurus every one of you can buy and drive to the supermarket than there was in *Apollo 11* when Neil Armstrong took it to the moon. Nobody who wasn't a high-energy physicist had even heard of the World Wide Web when I became President. And now even my cat, Socks, has his own page. *[Laughter]* By the time a child born today is old enough to read, over 100 million people will be on the Internet.

This age of possibility means that more Americans than ever before will be able to live out their dreams. Indeed, for all of you in the class of '96, this age of possibility is actually an age of high probability, in large measure because of the excellent education you celebrate today.

But we know that not all Americans see the future that way. We know that about half of our people in this increasingly global economy are working harder and harder without making any more money; that about half of the people who lose their jobs today don't ever find another job doing as well as they were doing in their previous one.

We know that, therefore, our mission today must be to ensure that all of our people have the opportunity to live out their dreams in a nation that remains the world's strongest force for peace and freedom, for prosperity, for our commitment that we can respect our diversity and still find unity.

This is about more than money. Opportunity is what defines this country. For 220 years, the idea of opportunity for all and the freedom to seize it have literally been the defining elements of America. They were always ideals never perfectly realized, but always our history has been a steady march of striving to live up to them. Having these ideals achievable, imaginable for all is an important part of maintaining our sense of democracy and our ability to forge an American community with such disparate elements of race and religion and ethnicity across so many borders that could so easily divide this country.

And so I say to you, creating opportunity for all, the opportunity that everyone has, that many of you are now exercising, dreaming about your future—that is what you must do in order to make sure that this age of possibility is really that for all Americans.

When I took office, I was concerned about the uncertain steps our country was taking for that future. We'd let our deficit get out of hand; unemployment had exploded; job growth was the slowest since the Great Depression. The country seemed to be coming apart when we needed desperately to be coming together.

I wanted to chart a new course, rooted first in growth and opportunity: first, to put our

economic house in order so that our businesses could prosper and create jobs; second, to tap the full potential of the new global economy; third, to invest in our people so that they would have the capacity to meet the demands of this new age and to improve their own lives.

This strategy is in place, and it is working. The deficit is half of what it was. The Government is now the smallest it's been in 30 years. As a percentage of the Federal work force, the Federal Government is the smallest it's been since 1933, before the beginning of the New Deal. We signed over 200 trade agreements. Our exports are at an all-time high. Fifteen million of our hardest pressed people have gotten tax cuts. Most of the small businesses have as well.

We've invested in research and defense transformations. We've invested in new technologies, and we've invested in environmental protection and sustainable development. And I will say, parenthetically, the great challenge of your age will be to prove that we can bring prosperity and opportunity to people all across the globe without destroying the environment, which is the precondition of our successful existence. And all of you will have to meet that challenge, and I challenge you to do it.

Our economy, while most of the rest of the world was in recession, has produced 8½ million new jobs, the lowest combined rates of inflation, unemployment, and home mortgages in three decades, the lowest deficit as a percentage of our income of any advanced economy in the world, 3.7 million more American homeowners, and record numbers of new small businesses in each of the last 3 years.

We are doing well, but we must do better if we are going to make the promise of this new age real to all Americans. That means we have to grow faster. How fast can we grow? No one knows the exact answer to that. But if we look at the long term, if we believe in our people and invest in them and their opportunities, and our people take responsibility, the sky is the limit.

We must look with the greatest skepticism toward those who promise easy and quick solutions. We know that the course that leads to long-term growth is in the minds and spir-

its and ideas and discipline and effort of people like those of you who graduate here today. We are on the right course; we must accelerate it, not veer from it.

We have to finish the job we started in 1993 and balance the budget, not only because we want to free you and your children of the legacy of debt but because that will keep interest rates down, increase savings, expand companies, start new small businesses, help more families buy homes and more parents send their children to college.

We know we have to continue to fight for fair and open trade because we proved now if other markets are as open to our products and services as we are to theirs, we'll do just fine. We know we have to do more to help all Americans deal with the economic changes of the present day in a more positive way by investing in the future and targeting tax cuts to help Americans deal with their own problems and build strong families.

We know we have to continue to invest in the things that a Government needs to invest in, including research and development and technology and environmental protection. We know that since so many people will have to change jobs more often than in the past, we have to give families the security to know if they change jobs they can still carry with them access to health care and pensions and education for a lifetime. But finally and most importantly, if we really want Americans—all Americans—to participate in the future that is now at your fingertips, we have got to increase the quality and the level of education not just for the graduates of Princeton and Georgetown and Yale and the State universities of this country but for all the American people. It is the only way to achieve that goal.

The very fact that we have been here or our forebearers have for 250 years is testimony to the elemental truth that education has always been important to individual Americans. And for quite a long time, education has been quite important to our whole country. Fifty years ago when the class of '46 was here, coming in after World War II, the GI bill helped to build a great American middle class and a great American economy. But today, more than ever before in the history of the United States, education is the

faultline, the great Continental Divide between those who will prosper and those who will not in the new economy.

If you look at the census data, you can see what happens to hard-working people who have a high school diploma or who drop out of high school and try to keep up in the job market but fall further and further behind. You can also see that if all Americans have access to education, it is no longer a faultline, it is a sturdy bridge that will lead us all together from the old economy to the new.

Now, we have to work to give every American that kind of opportunity. And we've worked hard to do it, from increasing preschool opportunities, to improving the public school years, to increasing technology in our schools. And this spring the Vice President and I helped to kick off a NetDay in California where schools and businesses and civic leaders hooked up nearly 50 percent of the schools to the Internet in a single weekend. What I want to see is every schoolroom and every library in every school in America hooked up to the Internet by the end of the year 2000. We can do that.

And I am very proud that I was asked to announce today that a coalition of high-tech companies, parents, teachers, and students are launching NetDay New Jersey this week to connect over a thousand schools in New Jersey to the Internet by this time next year. That will make a huge difference in making learning more democratic and information more accessible in this country. I thank them for that, every single person in New Jersey who will be a part of that.

But we have to face the fact that that is not enough. We have to do more. Just consider the last hundred years. At the turn of the century, the progressives made it the law of the land for every child to be in school. Before then there was no such requirement. After World War II, we said 10 years are not enough, public schools should extend to 12 years. And then, as I said, the GI bill and college loans threw open the doors of college to the sons and daughters of farmers and factory workers. And they have powered our economy ever since.

America knows that higher education is the key to the growth we need to lift our country. And today that is more true than

ever. Just listen to these facts. Over half the new jobs created in the last 3 years have been managerial and professional jobs. The new jobs require higher level skills. Fifteen years ago the typical worker with a college degree made 38 percent more than a worker with a high school diploma. Today, that figure is 73 percent more. Two years of college means a 20-percent increase in annual earnings. People who finish 2 years of college earn a quarter of a million dollars more than their high school counterparts over a lifetime.

Now, it is clear that America has the best higher education system in the world and that it is a key to a successful future in the 21st century. It is also clear that because of cost and other factors, not all Americans have access to higher education.

I want to say today that I believe the clear facts of this time make it imperative that our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today.

We have put in place an unprecedented college opportunity strategy. Student loans can now be given directly to people who need them, with a provision to repay them based on the ability of the graduate to pay, based on income. This is a dramatic change which is making loans more accessible to young people who did not have them before. AmeriCorps, which by next year will have given over 65,000 young people the chance to earn their way through college by serving their country and their communities. More Pell grants, scholarships for deserving students every year.

Now we want to go further. We want to expand work-study so that a million students can work their way through college by the year 2000. We want to let people use money from their individual retirement accounts to help pay for college. We want every honor student in the top 5 percent of every high school class in America to get a \$1,000 scholarship.

And we also want to do some other things that I believe we must do to make 14 years of education the standard for every American. First, I have asked Congress to pass a \$10,000 tax deduction to help families pay for the cost of all education after high school, \$10,000 a year.

Today I announce one more element to complete our college strategy and make those 2 years of college as universal as 4 years of high school—a way to do it, by giving families a tax credit targeted to achieve that goal and making clear that this opportunity requires responsibility to receive it.

We should say to Americans who want to go to college, “We will give you a tax credit to pay the cost of tuition at the average community college for your first year, or you can apply the same amount to the first year in a 4-year university or college. We will give you the exact same cut for the second year but only if you earn it by getting a B average the first year, a tax deduction for families to help them pay for education after high school, a tax credit for individuals to guarantee their first year of college and the second year if they earn it.”

This is not just for those individuals, this is for America. Your America will be stronger if all Americans have at least 2 years of higher education.

Think of it: We’re not only saying to children from very poor families who think they would never be able to go to college, people who may not have stellar academic records in high school, “If you’re willing to work hard and take a chance, you can at least go to your local community college, and we’ll pay for the first year. If you’re in your twenties and you’re already working, but you can’t move ahead on a high school diploma, now you can go back to college. If you’re a mother planning to go to work, but you’re afraid you don’t have the skills to get a good job, you can go to college. If you’re 40 and you’re worried that you need more education to support your family, now you can go part time, you can go at night. By all means, go to college and we’ll pay the tuition.”

I know this will work. When I was the Governor of my home State, we created academic challenge scholarships that helped people who had good grades and who had good behavior to go to college. But my proposal today builds mostly on the enormously successful HOPE Scholarships in Georgia, which guaranteed any student in the State of Georgia free college as long as they had a B average. This year those scholarships are helping 80,000 students in the State of Geor-

gia alone, including 70 percent of the freshmen class at the University of Georgia.

In recognition of Georgia's leadership, I have decided to call this proposal America's HOPE Scholarships. And I want to thank the Governor of Georgia, Zell Miller, who developed this idea. I also would like to recognize him—he came up here with me today—and thank him for the contribution that he is now going to make to all of America's future.

Governor Miller, where are you? Would you please stand up? Here he is. Thank you. *[Applause.]*

Let me say, as all of you know, money doesn't grow on trees in Washington, and we're not financing deficits anymore. I'm proud to say, as a matter of fact, for the last 2 years our budget has been in surplus, except for the interest necessary to pay the debt run up in the several years before I became President. So we are doing our best to pay for these programs. And this program will be paid for by budgeted savings in the balanced budget plan. We cannot go back to the days of something for nothing or pretend that in order to invest in education we have to sacrifice fiscal responsibility.

Now, this program will do three things. It will open the doors of college opportunity to every American, regardless of their ability to pay. Education at the typical community college will now be free. And the very few States that have tuition above the amount that we can afford to credit, I would challenge those States to close the gap. We're going to take care of most of the States. The rest of them should help us the last little way.

Second, it will offer free tuition and training to every adult willing to work for it. Nobody now needs to be stuck in a dead-end job or in unemployment. And finally, this plan will work because it will go to people who, by definition, are willing to work for it. It's America's most basic bargain. We'll help create opportunity if you'll take responsibility. This is the basic bargain that has made us a great nation.

I know that here at the reunion weekend the class of '46 has celebrated its 50th reunion. And I want to just mention them one more time. Many members of the class of '46 fought in the Second World War. And they came home and laid down their arms

and took up the responsibility of the future with the help of the GI bill. That's when our Nation did its part simply by giving them the opportunity to make the most of their own lives. And in doing that, they made America's most golden years.

The ultimate lesson of the class of 1946 will also apply to the class of 1996 in the 21st century. Because of the education you have, if America does well, you will do very well. If America is a good country to live in you will be able to build a very good life.

So I ask you never to be satisfied with an age of probability for only the sons and daughters of Princeton. You could go your own way in a society that, after all, seems so often to be coming apart instead of coming together. You will, of course, have the ability to succeed in the global economy, even if you have to secede from those Americans trapped in the old economy. But you should not walk away from our common purpose.

Again I will say this is about far more than economics and money. It is about preserving the quality of our democracy, the integrity of every person standing as an equal citizen before the law, the ability of our country to prove that no matter how diverse we get, we can still come together in shared community values to make each of our lives and our family's lives stronger and richer and better. This is about more than money.

The older I get and the more I become aware that I have more yesterdays than tomorrows, the more I think that in our final hours, which all of us have to face, very rarely will we say, "Gosh, I wish I'd spent more time at the office," or, "If only I'd just made a little more money." But we will think about the dreams we lived out, the wonders we knew when we were most fully alive. This is about giving every single, solitary soul in this country the chance to be most fully alive. And if we do that, those of you who have this brilliant education, who have been gifted by God with great minds and strong bodies and hearts, you will do very well, and you will be very happy.

In 1914, Woodrow Wilson wrote as President, "The future is clear and bright with the promise of the best things. We are all in the same boat. We shall advance and advance together with a new spirit." I wish you

well, and I pray that you will advance, and advance together with a new spirit.

God bless you, and God bless America.

NOTE: The President spoke at 12 noon in the courtyard at Nassau Hall. In his remarks, he referred to Harold Shapiro, president, Princeton University.

Message to the Congress Transmitting a Report on the Lapse of the Export Administration Act of 1979

June 4, 1996

To the Congress of the United States:

As required by section 204 of the International Emergency Economic Powers Act (50 U.S.C. 1703(c)) and section 401(c) of the National Emergencies Act (50 U.S.C. 1641(c)), I transmit herewith a 6-month periodic report on the national emergency declared by Executive Order No. 12924 of August 19, 1994, to deal with the threat to the national security, foreign policy, and economy of the United States caused by the lapse of the Export Administration Act of 1979.

William J. Clinton

The White House,
June 4, 1996.

Remarks at the Small Business Week Dinner

June 4, 1996

Thank you very much. Well, ladies and gentlemen, I don't know who spoke before or what happened, but whoever got you in such a good humor, I'd like to have them do more of it. I like that.

Thank you very much. I'm delighted to be here. I want to begin by thanking Phil Lader and Ginger Lew and Jere Glover and all the people who work at the Small Business Administration for their efforts on your behalf, their constant lobbying the White House, and the work that they do every day to try to help create more jobs through America's small businesses.

I'm also glad to see—I see some of you out there who were at the White House Con-

ference on Small Business. That was one of the highlights of my Presidency when I got to read the Federal regulation on grits. Remember that? *[Laughter]*

That conference nearly made a liar out of me. I told you we were getting rid of 16,000 pages of Federal regulations, and we are, but it turned out the regulation on grits was one of the hardest ones to get rid of. *[Laughter]* We got one letter from a businessman—I read it, actually—pleading with me not to get rid of the regulation on grits, saying that people would just be desperate trying to sort out the different kinds of corn necessary to make grits. If I hadn't been living on grits since I was an infant, I might not have had the sense to resist the intrigue to keep the regulation. *[Laughter]*

But somebody over at the Agriculture Department wanted to resist. It took me a year to get rid of that regulation. But anyway, I'm here to announce it's over. Goodbye. *[Laughter]* But anyway, we got rid of the regulation.

I also want to begin by congratulating the honorees in the Small Business Person of the Year contest, all of you who won at the various State levels. And I just had a chance to meet with Phyllis Hannan and with Terry Anderson and with Robert and Laurie Lozano and to hear a little bit about the businesses they run and the work that they do.

But I want to say to all of you, one of the proudest achievements to me that America has had in the last 3 years is that each of the last 3 years there have been more new small businesses started than in any previous year in American history. And I'm very proud of that. That means that this country is moving in the right direction, that we're becoming a more diverse, more solid, more balanced economy. And that's a very good thing.

I was very concerned 4 years ago when I became President that our economy seemed to be in drift and that the job growth rate was very slow, the economy was stagnant, the deficit was staggering. And we put in place a strategy that we believed would turn it around.

The first thing we did was to make a commitment to dramatically cut the deficit. We knew we had to cut it in half in 4 years, and we thought if we did we could get interest rates way down. Then we wanted to try to

open large numbers of new markets to American products and services and to try to get more American businesses into those markets. And that's a lot of the work that Mickey Kantor did when he was Trade Ambassador and the late Ron Brown when he was our previous Secretary of Commerce.

I just left a business meeting in which a man came up to me and told me that he was a member of the other party, but he said, "Nobody ever helped us—ever—overseas like Ron Brown did. And we appreciate it." We really tried to do that. We've had Mickey Kantor negotiate 200 separate trade agreements. And these things, we thought, would make a difference.

The third thing we tried to do was to take the money that we had left after we started trying to squeeze the budget and target the investment. We tried to shrink the size of the Federal Government and target more investments to education, research, technology, defense conversion in the States that had been really hurt by cutbacks in defense, the things that would grow the economy over the long run.

Now, after 3½ years, we see now that the deficit is less than half of what it was. Four years ago it was \$290 billion, and it's projected to be \$130 billion this year. For 2 years in a row we have run an operating surplus with your Federal budget. If it had not been for the interest rates—interest payments we make on the debt run up in the previous 12 years, we'd have been in surplus the last 2 years. So, we are going to keep going.

Contrary to what you read about, all the fights we're having with Congress, whether we have this agreement or not, because we can't agree on what the structure of Medicare and Medicaid and what the investment levels in education and the environment should be, whatever, without that agreement, we're still going to keep bringing that deficit down every year until we balance the budget. We have to do it. It's the right thing to do. But we've already seen a dramatic decline in interest rates from where they were 4 years ago, and as a result of that—plus an all-time high in exports, plus the investments that have been made—we have now at least 8½ million more jobs. It's going to be recal-

culated later this week. There may be even more than that.

As I said, record numbers of new small business people, 3.7 million new American homeowners, the lowest combined rates of unemployment, inflation, and home mortgage rates in 30 years. Our deficit is the lowest as a percentage of our income of any advanced economy in the world, any big economy, and the lowest it's been in America since 1979. And business investment is the highest it's been since 30 years. And I think that is a pretty good record for the American people to be proud of. And a lot of it has been generated by you.

We have—because we know there are some things that we can't do anything about until we want to make something good happen—we've tried to change the emphasis of American policy a little bit. I want to just mention one because it affects you. It is obvious that if you look at the numbers, I believe it's every year since 1980, the aggregate employment of the Fortune 500 in the United States has gone down, I believe going all the way back to 1980. And the aggregate employment of small- and medium-sized businesses has gone up.

So if we want to grow jobs more rapidly, if we want to keep the unemployment rate at 5.4 percent or lower, and if we want to pierce the areas of high unemployment in America, the inner cities, the isolated rural areas, where no new jobs have come yet in this economic recovery, the only way to do it is to make those areas more attractive for small business, to make it easier for people to pierce those areas who are prepared to be there, to make a commitment, to try to relate to the people who live there.

Now, we've tried to do five specific things for the SBA, and I just want to go over them very quickly because I think the Small Business Administration under Phil Lader and under his predecessor, Erskine Bowles, has really done a very, very good job at trying to reach out and support the small business community.

The first thing we want to do is improve access to capital. The SBA has doubled the loan volume over the last 3 years while cutting its budget by nearly a third. I know of no other Government agency that ever did

anything like that, but that's exactly what they have done.

There is—more private capital has entered the SBIC program in the last 18 months than in the last 15 years combined. The 7(a) Guaranteed Business Loan program has some 7,000 lending partners working with the agency to provide almost \$8 billion to small business owners last year. That's a 52-percent increase over the year before, including an 86-percent increase to women business owners and a 53-percent increase to minority-owned businesses. No quotas, no preferences, no nothing. Everybody who is qualified had a chance to compete and get what they were entitled to. And I think you should all be proud of the record that American small businesses have made in that program.

The second thing we've tried to do in SBA was to set a better example than I did with taking a whole year to get rid of the grits regulation. And so the SBA has cut the number of its regulations in half, simplified the rest. A lot of you are very familiar with the one-page LowDoc loan program and the quick turnaround for loans of up to \$100,000. I'm very proud of that. But you should also know that we do have the SBA now working very hard with EPA, with OSHA, and with other agencies trying to get improvements in their regulatory pattern, especially with regard to small businesses.

The Occupational Safety and Health Administration now is working on measuring their performance of their own inspectors based on the safety results of the plants and the businesses that are measured, not based on how many citations they write or how many people they write up but on the safety records of the people involved.

We're working on cutting the total compliance time the EPA takes out of the private sector by 25 percent. And we're on track to make it by the end of this year. I hope we will, and I believe we will.

The third thing we've tried to do is to reinvent the SBA. We've had to cut everything nearly in Federal Government to try to reach our budget totals. There are now 237,000 fewer people working for the United States of America than there were the day I became President. We've had a reduction of 237,000. The Federal Government is now the smallest

it's been since 1965. By the end of this year, it will be the smallest—as small as it was when John Kennedy was President of the United States in 1963.

And by the way, as a percentage of the civilian work force, which is probably a better way to measure it, the Federal Government is now the same size it was in 1933 before the New Deal. And interestingly enough, one reason not very many people know that is that we only had to involuntarily separate 1,750 of those 237,000 people. We managed down the rest with early retirement, with people finding other jobs, with other things. We didn't have to—we only had to involuntarily separate because of budget cuts 1,750 out of those 237,000 people.

But as a result of that, every agency had to take its cut. SBA employment has been reduced by more than a third. And yet, they've still been able to double the loan volume. So we're working on doing that in a way that doesn't cut the services to the small business community.

We've also, fourthly, tried to improve small business education counseling and information through our development center program, our business information centers. I think that they are working better with the one-stop approach to business counseling.

And finally, we've tried to let the SBA serve as my eyes and ears, to try to get better policy changes. That's one of the things that the White House Conference on Small Business was designed to do.

Recently I signed one piece of legislation that was recommended by the conference. The Small Business Regulatory Enforcement Fairness Act of 1996, which allows small businesses to challenge Federal regulations in court and is one of the most significant regulatory actions taken for small businesses in the last decade, came right out of the White House conference. So if you were a part of that, you should be proud of it because even though we supported it and the Congress passed it, it was actually your doing.

We also got some very important recommendations out of the White House conference on making retirement more accessible to small business. And one of the things that the Congress and the White House clearly agree on—and I hope we can get it

passed, notwithstanding all the other budget fights—is a whole package of retirement simplification and access legislation, about five different bills that, as far as I know, has the unanimous support of the Republican leadership, the Democratic leadership, and the White House that would make pensions much easier for small businesses to access and make them much more portable for people who have to change jobs.

Now I don't know how many—I got a letter the other day from a guy I grew up with complaining that it took him 9 or 10 months to transfer his 401(k) plan when he moved from one small business to another and a lot of those kind of problems would just go away if this legislation would pass. As I said, as far as I know, there is no opposition to this package of legislation, again, not because of me or because of the leaders of Congress, but because it came out of the White House Conference on Small Business, and we are all trying to listen. I hope we can do more of that.

As far as I know, there is also very little opposition to an appropriate reduction in the estate tax burden, to expanding the expensing allowance—you know, we took it from 10 to 17.5 and I think it's going to go up to 25 under all the proposed new plans, budget plans—and to increasing the health insurance, the deductions for self-employed people, again, largely because of what you have been doing.

Now, finally, we had a White House Conference on Corporate Citizenship the other day at which your Small Business Person of the Year was present—we were just talking about it—in which a lot of the bigger businesses were saying that one of the things that we needed to do in this budget was to re-enact the tax deduction that employers get for helping provide for the education of their employees which historically has been a deduction of up to \$5,250.

In addition to that, I am going to recommend again in our budget plans when we get down to this, that we provide a 10 percent tax credit for small businesses who are willing to undertake some of the expense of helping their employees improve their education and training because we know it's a bigger burden for small businesses. It's more difficult

for them and very often you don't know if you're going to have the employees for as long as some of the bigger companies can guarantee that they'll have theirs.

But since we know that one of the biggest problems with stagnant wages in America and growing inequality is the lack of skills among our already adult work force, we want to provide whatever incentives we can to help you if you're so inclined to support the education and training of your employees. So I hope also that that will be successful.

Now, finally, I'd just like to tell you about a proposal I made up at Princeton University today. I went up there and gave the commencement speech, and I learned that I was only the third commencement speaker in 100 years. It sort of embarrassed me. I was afraid nobody would ever get asked back if I did a bad job. And then I learned that they only asked the President to speak every 50 years and then they didn't have commencement speakers the rest of the time. So I relaxed and said what I intended to. [*Laughter*]

I recommended at Princeton that we change the Tax Code in a way that would make available to every single American 2 years of education after high school because I believe—if you go back and look at the whole 20th century, when we started this century with a new industrial era was the first time we ever had States requiring people to go to school at all, any kind of required public attendance at education. And then after a few decades we required people to go to school for 10 years. Then after a couple more, we said, "Well, everybody needs a high school diploma."

Well, if you look at the 1990 census now, we know that on balance younger workers who have high school diplomas don't keep up with inflation in their earnings. But younger workers that have at least a community college degree of some kind do and do quite well. We also know that nearly every American is within driving distance of a community college and that by and large they are more affordable than the 4-year schools.

So I had previously in my budget plan that we give everybody—and this would be good for a lot of your children—but we give everybody a \$10,000 deduction for the cost of education after high school, for tuition cost, up

to \$10,000 a year as a tax deduction. Today I recommended that on the bottom of that, if you will, anybody who wanted to would be instead able to take a credit of up to \$1,500 which covers most of the community college tuitions in this country for a community college tuition for one year, no questions asked, and then if they maintained a B average to get it for a second year, which literally would make, instead of 12 years, 14 years of education accessible to every single American in the country. It could revolutionize opportunities for people, and I hope you will support that.

Let me just make one final point. I know we're going into an election season, and we have that every 4 years—really, every 2 years. And on the whole that's a good thing. If it's done right, it gives us a chance to reassess where we are, to debate the differences between us, to have an honest discussion. And it's a very positive thing. But what I'd like to point out is that when we work together up here and do agree on what we have in common and leave our differences to the side, we can do a lot of good things for this country. We adopted a budget, 6 months late, but we adopted a budget which continued to reduce the deficit and continued to meet what I think are our fundamental obligations to the people.

We adopted a telecommunications bill which gave small-business people in the telecommunications area a chance to compete in this brave, new world we are going into and still will create hundreds of thousands of new jobs in the telecommunications area. We adopted a tough antiterrorism bill to deal with one of the biggest law enforcement problems, not only the United States but people all over the world have. Just because we said, look, here's what we agree on. So we don't agree on everything. I gave up what I couldn't get. They gave up what they couldn't get. We passed the bill; we signed it. That's the way the American system is supposed to work.

So I would say to you, I am still committed to getting a balanced budget act. I'm still committed to getting campaign finance reform. And I'm still committed to getting the kinds of targeted tax relief we talked about here tonight that I believe would help to cre-

ate more small businesses and help more small businesses stay in business and help generate more jobs.

I believe this country is in as good a shape to seize the future as any great country in the world. And I believe the best days of this country are still before us. What we have got to do is to recognize that with all of our diversity—you just look around here. Just imagine what the difference in the way this crowd looks today and the way it would 30 or 40 years ago. Just look around this room.

And there is no country in the world as well-positioned for the global economy as we are, managing its diversity as well, giving different people opportunities, and all we've got to do is to figure out that we've just got to keep working together, keep pulling together, and keep going forward. Our best days are still ahead of us, and you and small business are going to lead the way.

Thank you, and God bless you.

NOTE: The President spoke at 9:12 p.m. in the Presidential Ballroom at the Capital Hilton Hotel. In his remarks, he referred to Small Business Person of the Year Phyllis Hannan, first runner-up Terry Anderson, and second runners-up Robert and Laurie Lozano.

Remarks Prior to a Meeting With Congressional Leaders and an Exchange With Reporters

June 5, 1996

Medicare

The President. Good afternoon. Let me say that I'm looking forward to this opportunity to meet with the House Democratic caucus to talk about the work that we have ahead of us. But before I do, I would like to make one particular point. Of all the issues before us, I would very much like to see the Congress take up and pass a good, clean version of the Kennedy-Kassebaum health care reform bill in the next few days.

Senator Dole has said that he will be leaving the Senate soon, and I respect that decision. But this is one issue that he and I agree on. He very much wants this bill to pass in a good form that I can sign. And I just want to say to him and to all of you that I'm prepared to do whatever it takes in the next few

days to meet with him, do whatever I can, and meet with other Republicans to try to get the Kennedy-Kassebaum bill passed before he leaves the Senate. I think that is something we ought to do for the American people. I know it would mean a lot to him. It would certainly mean a lot to me. And I'm very hopeful that we can prevail in getting that done.

Q. Mr. President, the Medicare trustees are reporting today that there was one less year of solvency than originally expected. You have said in the past this should be put off until after the election. Do you still feel it should be put off?

The President. No, no, no. No, I haven't said—I'm sorry. Our plan—and by the way, the savings that have been agreed on already by the Republicans and the Democrats in the balanced budget negotiations would put another decade on the Medicare Trust Fund. And I think we ought to do that right away. I have always felt that way.

The plan that I detailed last year included Medicare reductions of \$270 billion, \$170 billion more than the Trust Fund—the trustees said was necessary to go into the Trust Fund to stabilize it.

But the differences in our numbers now are not that dramatic, and the amount that we have agreed on in common would add—would take it out to 10 years, and I think we ought to do that now. I think we ought to—I've always said we should go on and pass the right kind of balanced budget and do that. We can do that now with no trouble. We have agreed on those things. Providers know they're coming. Everybody understands how they would be managed. And I think we ought to do that. We should not wait.

Q. [Inaudible]—you all can get together on those. Is that the problem?

The President. What?

Q. [Inaudible]

The President. Well, yes. The problems are, I think far more than the money involved, is the structure of Medicare. I don't favor breaking the structure of Medicare. I think putting the medical savings account for Medicare payments in would be a particularly bad idea. You know, Medicare has the lowest administrative cost of any health in-

surance plan in America, private or public. It has done a basically good job. There are more seniors now on the plan than ever before. We have to deal with the population problems that exist now and the ones that are going to exist in the future.

But we have the ability right now to put 10 years into the life of the Medicare Trust Fund, and we ought to just do it. We ought to just go on and do that. We can do that with no problem, and we can do it in the context of a balanced budget plan.

Q. Thank you.

The President. Thank you.

NOTE: The President spoke at 1:50 p.m. at the Longworth House Office Building on Capitol Hill. A tape was not available for verification of the content of these remarks.

Statement on the Nomination for Chief of Naval Operations

June 5, 1996

I am pleased to nominate Admiral Jay L. Johnson, U.S. Navy, to be Chief of Naval Operations.

Admiral Johnson currently serves as the Vice Chief of Naval Operations. He brings to the job of Chief of Naval Operations a dynamic vision of the Navy's future, a wealth of operational experience, a decisive leadership style and a deep regard for America's sailors.

During his distinguished career, Admiral Johnson completed two combat cruises in Vietnam and served as the Deputy Commander of Operation Restore Democracy and Uphold Democracy in Haiti. As Commander Second Fleet, he significantly improved the effectiveness of our forces in both multiservice and multinational operations. As Assistant Chief of Naval Personnel, he oversaw the career development of the officer and enlisted community during the challenging post-cold war drawdown.

Admiral Johnson assumes the post of Chief of Naval Operations with the full trust and confidence of the Navy community at a crucial time in its history. I will depend upon him to continue Admiral Mike Boorda's high standards and demanding goals for the Navy. With Admiral Johnson at the helm, I am con-

fidant that our Navy will continue to protect and advance our Nation's freedom and security.

Statement on the Report on Substance Abuse and Women

June 5, 1996

The report by the National Center on Addiction and Substance Abuse at Columbia University (CASA) on "Substance Abuse and the American Woman" reveals the distinctive characteristics of alcohol, tobacco, and drug abuse by women. The report, based on a 2-year study, provides valuable new insights into this pressing problem and documents long-term trends that show young women closing the gender gap with young men in substance abuse.

The report also points out a unique consequence of substance abuse among women, the effect of alcohol, tobacco, and drug use on newborn children. My administration is determined to do all we can to curb alcohol, tobacco, and drug abuse by young Americans, and this report will contribute to that effort. I congratulate Joe Califano, the president of CASA, and the center for their fine work in combating substance abuse. I especially salute Betty Ford for her courage and commitment in devoting her life to helping America deal with drug and alcohol abuse and addiction.

Message to the Congress Reporting on the State of Small Business

June 5, 1996

To the Congress of the United States:

I am pleased to transmit to you my annual report on the state of small business, and to report that small businesses are doing exceptionally well. In the year covered by this report, a record 807,000 new firms reported initial employment. Firms in industries dominated by small businesses created almost 60 percent of the nearly 3.3 million new jobs. Business failures and bankruptcies declined at some of the sharpest rates in a decade.

Small businesses have both contributed to and benefited from the recent strength of the economy. The deficit reduction plan I

initiated in 1993 has cut the budget deficit in half. The economy has created 8.5 million new jobs since January 1993—almost all of them in the private sector. The combined rate of unemployment and inflation is at its lowest level in more than 25 years.

A major success story has been in the women-owned business sector. Women are creating new businesses and new jobs at double the national rate. Today, women own one-third of all businesses in the United States. Clearly, there is no stopping this fast-growing segment of the economy.

Last June I met in Washington with nearly 2,000 small business owners—participants in the national White House Conference on Small Business. They took precious time away from their businesses to tell us about their problems and their ideas for resolving them, turning over a list of 60 recommendations for Government action. Their ideas are reflected in many of the recent initiatives of my Administration.

Improving Access to Capital

One of the keys to a healthy small business sector is access to adequate start-up and working capital. The Small Business Lending Enhancement Act of 1995, which I signed last October, helped to increase access to capital through the Small Business Administration's (SBA) section 7(a) loan guarantee program. Last year, the SBA provided nearly \$11 billion in long-term credit and other financial assistance to more than 67,000 small businesses, bringing SBA's total loan portfolio to \$26 billion. The number of 7(a) guaranteed loans has increased dramatically, up 52 percent from fiscal year 1994 to fiscal year 1995—and that's with a smaller budget and fewer employees at the SBA. Moreover, during that same period, the number of 7(a) guaranteed loans to women-owned businesses grew by 86 percent; loans to minority-owned businesses increased by 53 percent; and loans to businesses owned by U.S. veterans grew by 43 percent.

Other initiatives are under way. My Administration has been working with banks and banking regulators to remove impediments to small business lending by financial institutions. The Riegle Community Development and Regulatory Improvement Act of

1994 amended the banking and securities laws to promote the growth of a secondary market for small business loans. And my Administration is looking to reduce small business securities filing and disclosure burdens. In June 1995, the Securities and Exchange Commission proposed regulations that would further this small business goal.

Easing the Tax Burden

The Federal Government should reward rather than discourage entrepreneurs who take risks and create jobs. To that end, we have worked to simplify the tax code and make it more equitable for small firms.

In April 1995, I signed legislation to increase to 30 percent the share of health insurance premiums that self-employed individuals can deduct on their tax returns beginning this tax year—and we're working to increase that amount.

Small firms are less likely than their larger counterparts to be able to provide retirement plans. While 75 percent of workers in businesses with more than 1,000 employees have pension plans, only 24 percent of workers in businesses with fewer than 100 employees have them. I have proposed a new pension plan targeted to the needs of small businesses—the National Employee Savings Trust (NEST). The NEST would provide benefits similar to those of a 401(k) pension plan and would be simple to create and operate.

My Administration has endorsed other improvements that make existing pension plans safer and more beneficial for business owners and employees alike. For example, we have proposed to eliminate the “family aggregation” restrictions on pensions for family members, so that spouses or children who work in the same or related businesses can earn their own retirement benefits.

Our 1993 economic plan made 90 percent of small businesses eligible for tax relief. It established a targeted tax preference for capital gains, reduced the record-keeping requirements for the meals and entertainment deduction, and raised the small business expensing limit for equipment by 75 percent, to \$17,500. We have proposed to increase further the value of equipment that can be directly expensed to \$25,000.

My Administration is also taking steps to ensure that tax regulations are as simple and understandable as possible. For example, administrative guidance has been published to provide tax relief to S corporations and partnerships, simplify depreciation computations, and ease inventory capitalization for small businesses.

We are pursuing tax form simplification through our Simplified Tax and Wage Reporting System (STAWRS). This joint effort among Federal and State agencies will simplify, unify, and streamline tax reporting so that taxpayers will eventually be able to file their State and Federal tax and wage returns at one location, electronically. All these efforts will bring tax reporting into the modern age while reducing the paperwork burden for small business.

Shrinking the Regulatory and Paperwork Burden

Regulation and paperwork continue to be a key concern of America's small business owners, and I am proud of the progress my Administration has made in addressing this concern. For example, the SBA is streamlining all its regulations and converting them to plain English. An application form for the most common SBA loans used to be an inch thick and take 5 to 6 weeks to approve. We've reduced the form to one page and cut turnaround time to 3 days.

I've said it before: the era of big Government is over. We have been working hard to give the American people a Government that works better and costs less. We are eliminating 16,000 pages of unnecessary regulations and streamlining 31,000 more—shifting decision-making out of Washington and back to States and local communities. In addition, we are directing Federal agencies, where possible, to cut by half the frequency of reports the public is required to provide to the Government.

More broadly, much of our National Performance Review effort to reinvent Government has been pointed specifically at helping small business. The U.S. Business Advisor, which provides Internet access to information from all Federal agencies, and the U.S. General Store for Small Business, which offers business owners one location for dealing

with the Federal government, illustrate our commitment to reinventing how Government serves the small business community.

In March 1995, I announced a new approach to lessening the regulatory burden on small firms. Under this commonsense approach, small businesses can now avoid paying penalties for violations if they correct the problem within an appropriate period of time. And for those violations that may take longer to correct, a small business may get up to 100 percent of its fine waived if that same money is used to correct the violation.

I'm proud to have succeeded in putting more teeth in the Regulatory Flexibility Act (RFA). Under the 1980 Act, Federal Government agencies must analyze their proposed regulations for their effects on small firms—and revise them if they will create an unfair burden. In the past, however, because the agencies' analyses could not be reviewed in the courts, small businesses had no meaningful recourse if an agency made a poor decision. On March 29, I signed into law the Small Business Regulatory Enforcement Fairness Act of 1996, which allows for judicial review of Federal agency RFA analyses. The Act also emphasizes compliance assistance and requires agencies to provide small businesses with simple and clear guidelines to assist them in complying with the regulations that affect them.

As small business owners have told us, they care about environmental protection and occupational safety; after all, they drink the same water, breathe the same air, and share the same workplace hazards as everyone else. My Administration has challenged small businesses and regulatory agencies to find cheaper, more efficient ways than government regulation to meet the high environmental and workplace standards Americans want.

Opening Markets and Expanding Trade

Every year the Federal Government spends \$200 billion on goods and services, and small businesses receive a substantial share of that market. I am committed to expanding further the opportunities for small businesses to win Federal contracts. I fought for the Federal Acquisition Streamlining Act of 1994 and the Federal Acquisition Reform

Act of 1996, which have simplified the procurement process and made it easier for small firms to do business with the Federal Government.

The 1994 law also created a new Government-wide electronic commerce system, FACNET, which will eventually permit electronic submission of bids and proposals. I encourage small businesses to take advantage of these new procurement procedures to provide more goods and services to the Government.

In addition to the Federal marketplace, foreign markets offer significant opportunities for small business owners to compete and win. While the North American Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade (GATT) are opening markets abroad, my Administration's National Export Strategy has made it easier here at home for small businesses to export. Among other things, we've opened 14 U.S. Export Assistance Centers to provide one-stop access to export information, marketing assistance, and finance.

Technology and Innovation

Technological innovation by small firms is a major reason for America's leadership in the world economy. Through the Small Business Innovation Research and Small Business Technology Transfer programs, the Federal Government taps into the brain power of small businesses to meet its own research needs. In the process, these programs help spur technological innovation to foster new businesses and jobs.

The Small Business Innovation Research (SBIR) program alone has nearly doubled awards to small businesses during my Administration—up from \$508 million in 1992 to more than \$900 million in 1995. And the quality of SBIR research proposals has kept pace with the program's expansion.

We've also dramatically expanded the Manufacturing Extension Partnership to help America's 380,000 smaller manufacturers become more competitive in world markets. Sixty locally managed manufacturing extension centers—up from seven in 1993—are delivering much-needed services to this important small business sector.

As this report documents, changes are coming at lightning speed. Small business owners recognize that they will need all the technological skill and “connectivity” they can muster just to keep up. Through manufacturing extension centers, FACNET, the U.S. Business Advisor, and other information networks, we can help make available the information small businesses need to start up and succeed.

The Human Factor

If the heart of our entrepreneurial economy is small business, then the heart of small business is its people—small business owners and their employees. We need to work with small businesses to strengthen and support this dynamic human resource.

We’ve seen what business growth can do for communities, and we hope to encourage more business formation in empowerment zones and enterprise communities: legislation before the Congress would provide more tax incentives and waivers of some regulatory requirements in these areas. SBA’s one-stop capital shops specifically target empowerment zones and enterprise communities.

As I mentioned earlier, we’re taking steps to modify the tax code in ways that will make it easier for small businesses to offer health care and retirement plans to their employees. We also want to make sure that workers and their families can keep their health insurance even when they change jobs. I have urged the Congress to enact the Kassebaum-Kennedy bill, which would make health insurance coverage more “portable” for our Nation’s workers.

We want to make better use of our work force training dollars by consolidating and streamlining many of our Federal work force training programs. Under our proposal, States and localities would have more flexibility to administer these programs in the way that will do the most good for our workers and small business owners.

I’m pleased that young entrepreneurs were represented at the White House Conference on Small Business and that the conference looked to our economic future by endorsing more mentorships and workplace educational opportunities for young people. These private-sector-led efforts form an es-

sential part of the work-based learning program I envisioned when I signed into law the School-to-Work Opportunities Act of 1994.

It takes a great deal of courage to start something new, to carve a reality out of a dream, often with few resources, sometimes in adverse surroundings, and in an economy that demands much of its participants. That is why we celebrate and listen to America’s small business owners and why we will continue to look for ways to nurture and support this powerful economic engine—the small business sector.

William J. Clinton

The White House,
June 5, 1996.

Remarks at a Dinner Honoring the 50th Anniversary of the Fulbright Scholarship Program

June 5, 1996

Ladies and gentlemen, let me say a special welcome to all of you, especially to our distinguished guests from overseas, to the Members of Congress, and of course, particularly to the members of the Fulbright family, to Harriet and to Betsey and Bosey and Tad. We’re delighted to have all of you here tonight.

Hillary and I have looked forward for sometime to celebrating this 50th anniversary of the Fulbright Program, to honor the dream and legacy of a great American, a citizen of the world, a native of my home State, and my mentor and friend, Senator Fulbright. A man who understood, long before others did, that the only way we could ever have peace in the world was by increasing understanding among people, by the open trading of ideas and knowledge and world views and friendships as well as goods and services.

Those of us who shared his roots in the Arkansas Ozarks owe him a special debt of gratitude. His vision and brilliance and the power of his example said to a whole generation of us who were landlocked—and most of us had never been very far from home by the time we were nearly grown—that we could still imagine a world beyond the bor-

ders of our State and relate to it, to participate in it, that we needed to understand that world and that perhaps we had something to give to it.

To all Americans, Senator Fulbright gave the gift of understanding that the only way to lasting peace is for people to understand one another—the simple act of giving and receiving the best that each of us has to offer.

Now, for five decades the Fulbright Program has stood as a proud symbol of our Nation's fundamental commitment to that ideal. For hundreds of thousands of scholars here and abroad, it has cemented America's mission as a nation that cares about and is engaged in the world community. Many of our world's finest leaders and artists have benefited from this special experience. Some of them are here tonight, and I thank them for their presence. No matter their native tongue, all of them are now known by the proud name of Fulbrights.

Senator Fulbright once said, "The essence of intercultural education is the acquisition of empathy, the ability to see the world as others see it and to allow for the possibility that others may see something we have failed to see." Parenthetically, we might need a inter-party Fulbright program in Washington these days. *[Laughter]* He went on to say that, "The simple purpose of the exchange program is to erode the culturally rooted mistrust that sets our nations against one another. It is not a panacea, but an avenue of hope."

Tonight, as we celebrate 50 years of bipartisan support for the Fulbright Program, let us all rededicate ourselves to this ideal; let us pledge to do all we can to give the Fulbright Program to future generations of aspiring young people across the globe.

And let us close, as we offer a toast, to the Fulbright scholarship program, to the Fulbright scholars, and to the memory of Senator Fulbright.

Thank you very much.

NOTE: The President spoke at 8:27 p.m. in the State Dining Room at the White House. In his remarks, he referred to Senator Fulbright's wife, Harriet Mayor Fulbright; daughters Betsey Fulbright Winnacker and Roberta (Bosey) Foot; and son-in-law Edward Thadeus Foot.

Exchange With Reporters Following a Meeting With First-Time Homeowners

June 6, 1996

FHA Closing Costs

Q. Mr. President, don't you think the Republicans will say that reducing the FHA closing costs is just an election year gimmick?

The President. I don't know what they'll say. But we've been working on this for quite some time now, and it's a part of an ongoing strategy. And we started in 1993 by driving the interest rates down, and in that year alone, something like 5½ million people refinanced their home mortgages.

So many American middle class working people, starting with young people like the Kastens, have all their savings in a home. And we just feel that anything we can do to facilitate people buying their own homes and to speed the process along will increase savings in America, increase security, and support families.

So that's what we're trying to do. We're trying to get—we have, I think, about 3.7 million new homeowners since I became President, and we're working on a target of 8 million by the year 2000. If we can get to 8 million, then we'll have home ownership at two-thirds of the American people; it will be the highest it's ever been in American history. That's what we're trying to do.

[At this point, Housing and Urban Development Secretary Henry Cisneros explained the steps the administration has made to reduce closing costs for home buyers.]

Balanced Budget

Q. Mr. President, does the Senate vote today on a balanced budget amendment give Senator Dole ammunition against you? Are you standing in the way of a balanced budget?

The President. No. Look at what Senator Exon said, probably the strongest balanced budget advocate over a longer period of time than anybody in the Senate, of either party. And he's actually changing his vote, as I understand it, today because he doesn't want the gimmick of saying we're going to have a balanced budget amendment which will

take forever and a day to take impact and get in the way of the fact that there are now—there are on the table, there's a Republican plan and my plan that existed when they walked away from the negotiations several months ago. Both of them would balance the budget by 2002; both of them have savings in common to do it.

And I would say again, whatever happens in that vote today—and the President doesn't sign or veto amendments—whatever happens in that vote today, the Congress ought to come back, pass the savings we have in common, give the American people a balanced budget, take the differences between them and then take that to the voters in November. Let the voters resolve the differences; let us do what we have in common. That's the way our system is supposed to work. Representative government is supposed to take what we have in common and make progress and let the voters resolve the differences. That's how the system is supposed to work.

So I would say that however this vote comes out, it's not an excuse not to go on and balance the budget. If we did that, we'd get interest rates down some more, and we'd have more people like the Kastens buying homes next year.

President's Home

Q. When are you going to buy a home? How come you don't get one?

The President. You know how much my first home cost? About \$20,500—1,000 square feet, 1,100 square feet. Same sort of deal.

Q. Time to get a new one, isn't it?

The President. I hope not. *[Laughter]* I hope I've got a little time on that. *[Laughter]*

NOTE: The exchange began at 11:20 a.m. on the South Lawn at the White House. In his remarks, the President referred to first-time home buyers Spencer and Lisa Kasten.

Remarks at the National Homeownership Summit

June 6, 1996

Thank you very much. When Lisa was up here talking and she said, "When we bought

our home, I didn't realize this went along with it," I thought I would—*[Laughter]*. But her husband and I agree that she did so well, she may have a future at this line of work. Don't you think she did? *[Applause]*

I want to thank all of you for being here—the other families who are here. I'm sure they could have given a testimonial much like the one that Lisa and Spencer gave. I want to thank the public officials who are here, Congressman Chaka Fattah from Pennsylvania, and Mayor and Mrs. Lanier; Mayor Albano; Mayor Yunits; Prince George's County executive, my neighbor, Wayne Curry; and Jefferson County Commissioner David Armstrong, who shares my common roots and home. I want to thank all of you in the private sector who worked for a year with our national homeownership strategy and those of you who worked for a lifetime to help people realize the dream of owning their own home.

When I became President, I saw this mission of expanding homeownership as part of our larger goal of restoring economic opportunity and a sense of security to Americans who are working hard and trying to build families and raise children. The fact that homeownership had stagnated for several years, to me, was just another indication of why we needed to get our economy moving and working for ordinary people again.

I think everybody here, of whatever age, remembers the first home you bought. Actually, I was thinking how much more persuasive Spencer was than I was; he got married first and then bought a home. *[Laughter]* Some of you heard me tell this story before, but I had to buy a home to get married. *[Laughter]* Hillary and I had been going together for several years and we were living in Fayetteville, Arkansas, and we were both teaching at the university law school. And she was going away on some trip—she was always getting trips to go away on—and she—I took her to the airport one day. We passed this old house. She said, "Boy, that's a pretty house." I said, "It really is." So, I took her to the airport; I went back and checked on the house. It was 1,100 square feet; it cost \$20,500; and it was a beautiful little house, no air-conditioning, attic fan, hardwood floors. And I bought the house. And I made whatever the downpayment was. I remember

my mortgage payment was \$174 a month. And so, 3 or 4 days later, she came back from her trip, and I said, "You remember that house you like so well?" I said, "I bought that house. Now, don't you think you'll have to marry me so I won't have to live there by myself?" [Laughter] I am a living example of the power of homeownership to strengthen families and build better futures.

I am very proud of what has been done in the last year. I want to thank Secretary Cisneros, all of the team at HUD. They have done a wonderful job. I don't believe we've ever had a HUD Secretary as energetic, as full of good ideas, as able to build bridges, as able to achieve things as Henry Cisneros.

We knew if we could get the economy going again, something would happen to homeownership. And in 1993, we began to work on a strategy that would do three things: First of all, it would drive the deficit down and therefore get interest rates down; second, one that would open the world's markets to our products and services so we could get our exports up and create more jobs that were high-wage jobs; and third, one that would invest in the areas that are critical to our long-term growth, the education and training of our people, technology, research, development, our infrastructure.

And after 3½ years, we've got over 8½ million new jobs. The deficit has gone down now for 4 years in a row. The deficit was \$290 billion when I took office. It's projected to be about \$130 billion this year, and it's come down a long way. We've had 3 years of record numbers of new small businesses starting, which is something that's very important to our long-term health and well-being. And now we have, in the last 3 years, 3.7 million people, like the Kastens, new homeowners in America. And I think that's something we can all be proud of.

Homeownership is now at a 15-year high, and last year the increase was the highest rate of increase in homeownership in almost 30 years. And one of the things that I also want to point out that I'm very proud of is that homeownership is more broadly distributed now in America than it has been in a long time. There's been a very rapid increase in the number of African-American first-time homeowners, very rapid increase in the num-

ber of Hispanic homeowners, an increase in the number of working women with children who own their own homes now.

So we are working hard to broaden the benefits of that. And so many of you are a big part of that. Sixty-five percent of the American people now own their own homes. Our goal is to go from 3.7 million new homeowners to 8 million new homeowners by the year 2000, bringing us to over 67 percent of the American people or two-thirds of the American people that own homes by the year 2000, the first time that has ever been achieved in the history of this country. Together, you and I, all of us working together, we can achieve that goal. And I think we ought to recommit ourselves to it today.

I'd like to talk a little bit about what we're trying to do to increase further our role and do our part to work with the private sector on homeownership in the larger context of our obligation to create more opportunities for Americans who are willing to assume the responsibility of working for it to achieve those opportunities.

A couple of days ago at Princeton, I went to talk about the idea of making education more accessible to all Americans and reaffirmed my commitment to giving families a \$10,000 deduction for the cost of education after high school and then said, in addition to that, I believe we know enough about the world economy to know that a high school education is not a guarantee of a good job with a growing income and therefore we should make 2 more years of education available to every American by giving a tax credit of \$1,500 for the 13th and 14th year for people who need it. So that will take every American—and open the doors of community college to every single American who needs it. And I think we ought to do that. I think it's very important.

I recommend, because I think it's good policy and because it's consistent with what we can afford and still balance the budget, that anybody be able to get the \$1,500 the first year to go back to community college and then they get it the second year if they maintain a B average. I believe that if the taxpayers are going to pay for it—to in effect make it 14 years of public schooling but do it through tax credits—that we ought to give

it to people who are really working hard and trying to do their part as well. So I hope all of you will support that and get behind it.

We can do the same sorts of things with homeownership. Anybody who's willing to take the risk and who can make the mortgage payments to buy their own home, it seems to me, we ought to do what we can to help. Besides that, it's not all that easy to own your own home. Not all of us are plasterers like Mr. Kasten here. Anybody who's ever been up at 3 in the morning trying to fix a pipe sometimes probably has second thoughts about whether he did the right thing in the first place. [Laughter] But this country, for most of this century, has had a commitment to homeownership. And we've understood that homeownership was about more than a statistic, it was about growing the entire economy; it was about increasing the savings rates of Americans; it was about stabilizing the forces of family and childrearing and strengthening communities, that it was a big, big issue.

President Roosevelt and the Congress understood that in creating the FHA way back in 1934. They recognized that out-of-work families losing their homes because they couldn't keep up with payments was a long-term disaster for the United States, for more than the families losing their homes. They realized that letting people buy their own homes was the best way to make sure that they had a stake in our system and in our future. That's what the nationally backed mortgage system of insurance did.

And thanks to the FHA and the GI bill's VA home guarantee, for the first time—in 1948—for the very first time in the entire history of America, a majority of Americans own their own homes. And what we are doing today is simply building on a 50-year commitment to continue to enhance that.

In the 1980's what happened was our country got so concerned with short-term gains that we were willing to sacrifice a lot of long-term interests to those short-term gains. The big deficits that came about in the 1980's paid for some short-term economic growth but at the cost of very, very high interest rates, which put the brakes on homeownership. And we have been working,

as I said, for 3 years to reverse those trends. It's looking pretty good.

One of the first things I noticed that came about after we announced and then enacted the deficit reduction plan in 1993 and we had a big reduction in interest rates was that people began to refinance their homes. So many people were on variable rate mortgages; they could do that. We believe that in 1993 alone 5½ million families refinanced their home loan in a way that saved them an average of more than \$1,000 a year in payments. That was a stunning indicator to me that something was going right in this direction and we needed to continue to do more of it.

That is, by the way, why we will in this budget continue to bring the deficit down and why we ought to pass a balanced budget plan because that's the best guarantee to keep the interest rates down while we grow the economy. And over the long run, keeping that kind of environment will guarantee more than anything else we can do the availability of affordable homeownership to the American people.

So I hope all of you will continue to support us as we find ways to bring the deficit down and balance the budget and still meet our fundamental commitments to bring this country together and to help those who need it.

Let me also say that we tried to focus on what it would take to get from here where we are, with 3.7 million to 8 million homeowners. And we've asked for all of your help in the partnership that you're part of with Secretary Cisneros and others in our administration. But one of the things that we focused on was, and that all of us can remember from our own experiences, I think, when we first started to buy a home, is how much it costs in front-end costs. And we found that one of the biggest barriers to young families buying homes was not the monthly mortgage payments, but the up-front costs. They averaged about \$4,400 a year.

And so I challenged FHA to do what it could over the next year to cut those costs by \$1,000. For a lot of us who maybe have more yesterdays than tomorrows, that may not seem like a lot of money. But for these folks, that's a lot of money to come up with

at one time. And I want to thank the FHA for the work they've done to meet the challenge I gave them to reduce the front-end costs closing on a home by \$1,000.

In 1994, FHA cut its up-front mortgage insurance premiums by 25 percent. That was the first \$600 on their \$1,000 goal. Then over the next year or two, since 1994, FHA has been streamlining, consolidating its offices, cutting red tape, putting offices online, speeding up the process—sometimes it's turned around and it's gone from as long as 60 days to as short as 2 days in the best places. And they are working very hard to implement these reforms throughout the country. As these changes go throughout the country, they will save literally, in the time, \$200 per customer. So that takes us to \$800. We have one more step to make to get to \$1,000.

And I've directed the FHA to further reduce the up-front mortgage premiums by another 25 basis points which amounts to \$200 and which can be easily funded in our balanced budget plan. It doesn't cost a lot of money. But this will enable FHA to say, okay, we did it. With the 1994 cut, with this cut, with the streamlining, we will cut average closing costs from \$4,400 to \$3,400 to try to make the dream of homeownership more achievable to young, hard-working people so they can get off to a good start.

Now, let me also put in one plug here on an issue that's kind of hot around town now because I think it's the wrong way to promote homeownership. There are some people who say that we should just privatize the FHA altogether and that, by selling off an agency that's made the American dream of homeownership real for almost 25 million Americans without costing a dime, somehow that will reduce the housing costs for America's families. That's not so.

If we just ended FHA's loan guarantees we know that one thing would happen, interest rates would go up, the mortgage rates would increase. Families now eligible for FHA loans would pay hundreds of dollars more a year in mortgage payments. That would be like a significant tax increase for people buying homes. As many as 400,000 families could be denied mortgages alto-

gether who would otherwise be eligible to get them.

So I believe this would be a mistake. This is a—you can call it a subsidy as the critics do—I say it's a pretty good subsidy. It's a pretty good investment by the American people as a whole to get two-thirds of us into our own homes. I think it's a pretty good investment for people like me, who can afford to pay market mortgage rates, to help young people like the Kastens get started and raise their kids, afford a home, be good citizens, and build a future. I believe it's worth doing.

But let me say again, I'm committed to reducing the deficit; I'm committed to reducing the size of Government; I'm committed to getting rid of programs we don't need. We have eliminated hundreds of programs in the last 3 years. There are 237,000 fewer people working for the Federal Government than there were the day I took the oath of office, 237,000. And I might say, we have the smallest Federal Government since 1965. By the end of the year it will be the smallest it has been since President Kennedy was in office. As a percentage of our overall civilian work force, the Federal Government today is as small as it was in 1933, before the New Deal.

We don't have to get rid of the FHA to shrink the size of the Federal Government. We can do this in the right way. I bet most of you probably didn't know that. And one reason you probably don't know it is—I'm very proud of this—of the 237,000 people who have left the Federal employment since I became President, fewer than 2,000 were separated involuntarily. We tried to take care of those folks and honor their service and recognize that they had to go on with their lives and they needed to find other jobs, they needed to do other work, or they needed to move gracefully into retirement.

So we have tried to handle this in a humane way. But I say this to make the point again: We need to keep our eyes on the major things here. The major thing is to keep the deficit coming down and go into balancing the budget, to do it in a way that enables us to honor our obligations to our children and our parents, to families with children with disabilities, and to others who need that, need help, and to do it in a way that grows

the economy while preserving the environment and that helps people like the families we honor today to build a good future for themselves and their kids. We can do these things.

And I will say one more time, we've got a lot of work to do even with all these efforts to get from 3.7 million in 1996 to 8 million in 2000. But we can do it. I want to have 8 million Americans able to say two of the most beautiful words in the English language, "Welcome home," by the year 2000. And with your help, that's exactly what we're going to do.

Thank you, and God bless you.

NOTE: The President spoke at 11:51 a.m. at the Washington Hilton Hotel. In his remarks, he referred to Mayor Bob Lanier of Houston, TX; Mayor Michael J. Albano of Springfield, MA; and Mayor John T. Yunits of Brockton, MA.

Memorandum on the Assistance Program for Russia

June 6, 1996

Presidential Determination No. 96-31

Memorandum for the Secretary of State

Subject: Assistance Program for Russia

Pursuant to section 577 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1994 (Public Law 103-87), I hereby certify that all of the armed forces of Russia and the Commonwealth of Independent States have withdrawn from Latvia and Estonia or that the status of those armed forces has been otherwise resolved by mutual agreement of the parties.

You are authorized and directed to notify the Congress of this certification and to publish it in the *Federal Register*.

William J. Clinton

Statement on the Peace Process in Northern Ireland

June 6, 1996

Today's announcement by the British and Irish Governments on the arrangements for the June 10 negotiations on Northern Ireland

marks another historic step toward a brighter future for the people. I welcome this agreement, which will enable the negotiation of a comprehensive and lasting settlement to the conflict that has plagued generations.

I commend Prime Ministers Major and Bruton for the perseverance and determination that they have shown in the cause of peace. I have just spoken with them both, and once again I am impressed by their commitment to the peace process. From the Downing Street Declaration of December 1993 to the Joint Framework Documents of February 1995 and the joint communiqué of February 28 of this year, the two governments have worked tirelessly to establish the foundation for successful talks. I am pleased that Senator George Mitchell has agreed to chair the plenary session of the talks. I know that he and his colleagues, General John de Chastelain and Mr. Harri Holkeri, will again make a major contribution to the peace process.

With the start of the talks on June 10, the parties have a real chance to set aside the past and negotiate a future of hope and promise, justice and peace. This is something only they can do. But I want them to know that the United States will continue to stand with them as they work to make that dream a reality. I call once again for a restoration of the IRA cease-fire which will enable the talks to be fully inclusive.

The success of these talks will depend on the vision and generosity of spirit of the elected representatives of the people. My hopes and prayers are with them as they begin to forge a bright and prosperous future for the children of both of Ireland's vibrant traditions.

Remarks on the National Economy and an Exchange With Reporters

June 7, 1996

The President. Good morning. Today we have been given fresh evidence that the American economy is growing steady and strong. What the job report today shows is that when we make tough choices, there is absolutely no limit to what the American people can do to create jobs and opportunity.

This report says that in the past 2 months the American economy has created half a million jobs, and that for 21 months in a row now, the unemployment rate has been under 6 percent, that real wages for hard-working Americans are finally on the rise because of their growing productivity.

When I took office our Nation faced a very different economic picture. Four years ago unemployment was 7.6 percent and rising, the deficit was skyrocketing, job growth was very, very slow. We put into place a comprehensive and tough economic package to create growth and to generate jobs. We cut the deficit in half, expanded trade to record levels, and invested in our people and their future. The result has been sustained economic growth, based on sound principles. Inflation is low; investment is up; a higher percentage of new jobs are private sector jobs than at any time since the 1920's.

When we put this strategy into place it was bitterly opposed by many people. They warned it would hurt the economy. They did everything they could to derail it, and it survived by the barest of margins in the Congress. Well, 3½ years later, it is now clear that the tough choices produced good results for the American people.

I said we would cut the deficit in half; the deficit will be cut by more than half in 4 years. I said this plan would create 8 million jobs; the latest job figures, including the annual revision of the Bureau of Labor Statistics, indicate that the economy in 3½ years has produced 9.7 million new jobs for the American people. That is growth, and growth without inflation.

We should not turn from an economic strategy that is working. We should finish the job of balancing the budget, of reforming welfare, and of extending the benefits of economic growth to all Americans by passing the Kassebaum-Kennedy bill, by raising the minimum wage, by providing for the portability of pensions, and by extending guaranteed education to the 13th and 14th years. These are the things we should do, building on this strategy, not departing from it.

Thank you.

Q. Mr. President——

Q. Mr. President, Willie Brown said you shouldn't come to——

Q. The markets are already dropping——
The President. Wait, wait. One at a time, one at a time. What?

Stock Market

Q. The markets are already dropping because of this news. What do you say to that?

The President. Well, let me remind you that the stock market is a lot better than it was when I took office. It was—it's up about 2,000 points, I think—more than 2,000. Whenever we have really robust job numbers—and we had 348,000 this month and then I think about 160,000 last month—there is the fear of inflation and that always has an impact in the market.

But if you look at the conditions, I think as the market has a chance to go through this day and the days ahead, there is no evidence of inflation in this economy. These jobs are being created by the productivity of American businesses and the American work force. That's why we're finally seeing some real wage gains now for American workers.

And keep in mind, the manufacturing sector has been arguing for years that we can grow more rapidly, we can create more jobs without inflation because of productivity and because of the competition to which we're subject from other countries.

So I think that this thing will work itself out. Over the long period, the market follows the strength of the economy, and that's why the market today is so much higher than it was 3½ years ago.

Go ahead, Helen [Helen Thomas, United Press International].

Q. Aren't you concerned that higher interest rates will drive——

President's Visit to San Francisco

Q. Mr. President, Willie Brown says you should not come to San Francisco because of gay protests against your stand on same-sex marriage and so forth. Are you going? What do you think of that?

The President. Well, I think that Willie Brown is a great mayor, but I believe that I should not cancel my trip to San Francisco. I promised Senator Feinstein and her husband I would come to their home. I have a long-standing commitment to go by and see

the Presidio and see what we've been trying to do there to help the people of California.

And on the issue, let me just say I believe the record is clear. I don't think any President has ever been more sensitive to the fundamental human concerns or the legitimate interests of gay Americans than I have. And I have been roundly criticized for it in many quarters.

But from the time I ran for office in 1992, I expressed my position on the whole concept of marriage in the law. That is—it's been my position all along. I can't change that position. I have no intention of changing it. I have also said I have no intention of being a party to letting this legislation moving through Congress become an excuse for diverting and dividing the American people and getting into a round of gay-bashing. I am bitterly opposed to that. I will not participate in it. But I have no intention of canceling my travel plans.

Yes, go ahead Wolf [Wolf Blitzer, CNN].

Legislative Agenda

Q. Mr. President, do you think—what do you think of Senator Dole's latest effort to finesse the Republican Party platform on the issue of abortion rights? And do you think—as a follow-up, do you think it would be right for you and Senator Dole to sit down during these final days of his in the Senate?

The President. Well, I'd be happy to do that. As I said, there is this one issue, this Kassebaum-Kennedy bill that we both agree on, and I would do anything I could to work with him on it and to let him leave his many years in the Senate with a good, positive memory that this was something that was done for the American people.

I have always said that elections would be decided based on the honest differences between candidates, but we should not waste one single day preventing something from being done when we have areas of common agreement. And if I could do anything to work with Senator Dole to help achieve that and to leave him with a good, positive, lasting accomplishment for the American people as he leaves the Senate, I would be more than happy to do it.

Republican Platform on Abortion

Q. What about the abortion rights platform position of Senator Dole?

The President. Oh, I'm sorry. Well, I think it is a good thing for anyone to urge that we lower the rhetoric and stop lobbying these verbal bombs at one another. But when you lower the rhetoric, the stark difference in our policies remains there. He is in favor of a constitutional amendment to ban abortion, and I am not. So there is a real difference there that I don't think can be papered over. But I think anything that restores civility to this debate is a positive thing, and I applaud him for saying that.

Economic Growth and the Federal Reserve

Q. Do you believe that today's unemployment and employment report is a sign or a signal that economic growth can be higher and faster than the Federal Reserve seems to think it should be?

The President. Well, I believe it is a sign that we can grow the economy without inflation if our workers and our businesses are productive. But I would remind you that what Chairman Greenspan has said in the past is that at least he has no preconceived notions of how fast the economy can grow. And the Fed will now have a month to evaluate this: they don't meet until next month some time. And if they see that we are producing this level of job growth with no inflation, then I would think the interest rates should stay down, not only the Fed rates but the rates that the market set.

This is a terrific commentary not only on the actions we took early to get the interest rates down and opening markets which helps to create higher wage jobs for Americans but also in the increasing productivity of the American work force, which will only be accelerated if we can increase the education level of our workers.

Peter [Peter Maer, NBC Mutual Radio].

Airline Tragedy in Croatia

Q. Mr. President, you've been briefed, we know, on the circumstances that led up to the plane crash that killed Commerce Secretary Brown. What are your personal reflections on what you were told, and what assur-

ances have you been given that steps are being taken to prevent this from happening again on future VIP trips?

The President. Let me say, first of all, I had an extensive briefing yesterday by the Commanding General of the Air Force and by the general whom he put in charge of the review. And as you might imagine, for me it was a very painful personal experience because of my relationship with Secretary Brown and because of the people that were on that plane that I knew and those business leaders that we relied on and that relied on us.

But I have to tell you, I felt a great sense of respect for General Fogleman that the Air Force was completely thorough and prompt and brutally honest in its evaluation of what went on. And some steps have already been taken to avert the possibility that any of these errors could be made again. and I am convinced, absolutely convinced, that others will be taken.

I also would tell you that if you had sat through the briefing as I did—I kept thinking that this peculiar mix of circumstances, if only one or two little things had happened the crash might not have occurred. That whole unit over there was working so hard to do so much different kind of work, but that this is why—because the risks are always there, this is why the procedures, the rules that the Air Force puts in place, are so important to be followed.

And so I would say that the American people should feel reassured that the top leadership of the Air Force got to the bottom of this, did it in a hurry, and was completely honest, with no back-covering at all in its straightforward report on this accident.

Burning of Black Churches

Q. Sir, there was another fire at a Black southern church last night, sir. Do you think there is a national conspiracy or a resurgence in racism in America?

The President. Well, I'm going to have more to say about that tomorrow at my radio address. All I can tell you right now is we are working very hard to get to the bottom of this. When I was in Louisiana last week, where several of these bombings—these burnings have occurred, I spoke personally

to the United States Attorney about it to get a personal report on what the status was in Louisiana of those cases and to reaffirm my determination to do everything we could to get to the bottom of it. So I'll have some more to say about it tomorrow. We will be doing everything we can.

Meeting With Senator Bob Dole

Q. Mr. President, to follow up on Wolf's question, you have just a few days left before Senator Dole leaves the Senate. Would you like to invite him here at this moment?

The President. Well, we have had some indirect communication back and forth about how we ought to proceed from here on out. I don't think we should discuss it in a press conference.

I do want to say again how much I feel, along with all Americans, that I thank him for his years of service in the Senate. I do believe he is trying to pass this Kennedy-Kassebaum bill. I'd like to try to help him do it. And I would like for him to feel that he is leaving the Senate on a positive note.

I can't say that I have the same good wishes about the next 5 months, but I would like to do that. And so I hope we can work it out.

Thank you.

NOTE: The President spoke at 9:50 a.m. in the Rose Garden at the White House.

Proclamation 6903—Flag Day and National Flag Week, 1996

June 7, 1996

By the President of the United States of America

A Proclamation

There is no better symbol of our country's values and traditions than the Flag of the United States of America. Chosen by the Continental Congress in 1777, it continues to exemplify the profound commitment to freedom, equality, and opportunity made by our founders more than two centuries ago. Our flag's proud stars and stripes have long inspired our people, and its beautiful red, white, and blue design is known around the world as a beacon of liberty and justice.

Today, America's flag graces classrooms, statehouses, courtrooms, and churches, serving as a daily reminder of this Nation's past accomplishments and ongoing dedication to safeguarding individual rights. The brave members of our Armed Forces carry "Old Glory" with them as they fulfill their mission to defend the blessings of democracy and peace across the globe; our banner flies from public buildings as a sign of our national community; and its folds drape the tombs of our distinguished dead. The flag is a badge of honor to all—a sign of our citizens' common purpose.

This week and throughout the year let us do all we can to teach younger generations the significance of our flag. Its 13 red and white stripes represent not only the original colonies, but also the courage and purity of our Nation, while its 50 stars stand for the separate but united States of our Union. Let us pledge allegiance to this flag to declare our patriotism and raise its colors high to express our pride and respect for the American way of life.

To commemorate the adoption of our flag, the Congress, by joint resolution approved August 3, 1949 (63 Stat. 492), designated June 14 of each year as "Flag Day" and requested the President to issue an annual proclamation calling for its observance and for the display of the Flag of the United States on all Federal Government buildings. The Congress also requested the President, by joint resolution approved June 9, 1966 (80 Stat. 194), to issue annually a proclamation designating the week in which June 14 falls as "National Flag Week" and calling upon all citizens of the United States to display the flag during that week.

Now, Therefore, I, William J. Clinton, President of the United States of America, do hereby proclaim June 14, 1996, as Flag Day and the week beginning June 9, 1996, as National Flag Week. I direct the appropriate officials to display the flag on all Federal Government buildings during that week, and I urge all Americans to observe Flag Day and National Flag Week by flying the Stars and Stripes from their homes and other suitable places.

I also call upon the people of the United States to observe with pride and all due cere-

mony those days from Flag Day through Independence Day, also set aside by Congress (89 Stat. 211), as a time to honor our Nation, to celebrate our heritage in public gatherings and activities, and to publicly recite the Pledge of Allegiance to the Flag of the United States of America.

In Witness Whereof, I have hereunto set my hand this seventh day of June, in the year of our Lord nineteen hundred and ninety-six, and of the Independence of the United States of America the two hundred and twentieth.

William J. Clinton

[Filed with the Office of the Federal Register, 8:45 a.m., June 11, 1996]

NOTE: This proclamation will be published in the *Federal Register* on June 12.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

June 1

The President declared a major disaster in the State of Kentucky and ordered Federal aid to supplement State and local recovery efforts in the area struck by severe storms, flooding, and tornadoes on May 28.

The President declared a major disaster in the State of Minnesota and ordered Federal aid to supplement State and local recovery efforts in the area struck by flooding beginning March 14 and continuing.

June 3

In the evening, the President attended a Democratic National Committee dinner at the Jefferson Hotel. Later, he attended a dinner for the Democratic Business Council at the Sheraton Carlton Hotel.

The President announced his intention to nominate Jeffrey Davidow as the Assistant Secretary of State for Inter-American Affairs.

The President announced his intention to nominate Alberto Aleman Zubieta to be Administrator of the Panama Canal Commission.

June 4

In the morning, the President traveled to Princeton, NJ, and he returned to Washington, DC, in the afternoon.

In the evening, the President attended a Democratic National Committee dinner at the Sheraton Carlton Hotel.

The President announced his intention to reappoint Everett Alvarez, Jr., to the Board of Regents for the Uniformed Services University of the Health Sciences.

The President announced his intention to nominate Madeleine May Kunin to be Ambassador to Switzerland.

June 5

The President declared a major disaster in the State of North Dakota and ordered Federal aid to supplement State and local recovery efforts in the area struck by severe storms, flooding, ice jams, and ground saturation due to high water tables on March 12 and continuing.

The White House announced that the President has invited President Glafcos Clerides of Cyprus to Washington for a working visit on June 18.

The President announced his intention to appoint Ned W. Bandler, E. William Crotty, Phyllis Kaminsky, Alice A. Kelikian, Rachmiel Liberman, and Warren L. Miller to the Commission for the Preservation of America's Heritage Abroad.

The President announced his intention to nominate Reginald E. Jones to the Equal Employment Opportunity Commission.

June 6

In the afternoon, the President had telephone conversations with Prime Minister John Bruton of Ireland and Prime Minister John Major of Great Britain.

In the evening, the President hosted a reception for the White House Environment Day Conference in the Green Room.

June 7

The President declared a major disaster in the State of Alaska and ordered Federal aid to supplement State and local recovery ef-

forts in the area struck by fires beginning June 2 and continuing.

Nominations Submitted to the Senate

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted June 3

Jeffrey Davidow,
of Virginia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be an Assistant Secretary of State, vice Alexander Fletcher Watson, resigned.

Johnny H. Hayes,
of Tennessee, to be a member of the Board of Directors of the Tennessee Valley Authority for a term expiring May 18, 2005 (re-appointment), to which position he was appointed during the last recess of the Senate.

Doris B. Holleb,
of Illinois, to be a member of the National Council on the Humanities for a term expiring January 26, 2002, vice Kenny Jackson Williams, term expired.

Alberto Aleman Zubieta,
a citizen of the Republic of Panama, to be Administrator of the Panama Canal Commission, vice Gilberto Guardia Fabrega, resigned.

Submitted June 4

Madeleine May Kunin,
of Vermont, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland.

Submitted June 6

Robert L. Hinkle,
of Florida, to be U.S. District Judge for the Northern District of Florida, vice William H. Stafford, Jr., retired.

Mary Ann Gooden Terrell, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of 15 years, vice Richard Stephen Salzman, term expired.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released June 1

Fact sheet on removal of nuclear warheads from Ukraine

Released June 3

Transcript of a press briefing by Press Secretary Mike McCurry, NSC Senior Director for Defense Policy and Arms Control Robert Bell, and NSC Senior Director for Russian and Eurasian Affairs Steve Pifer on arms reduction agreements with Russia and Ukraine

Statement by Press Secretary Mike McCurry on the President's meeting with former President of Poland Lech Walesa

Released June 4

Transcript of a press briefing by Press Secretary Mike McCurry, Deputy Assistant to the President for Economic Policy Gene Sperling, Assistant to the President for Domestic Policy Planning Bruce Reed, and Georgia Governor Zell Miller on the President's scholarship program

Released June 5

Transcript of a press briefing by Press Secretary Mike McCurry

Statement by Press Secretary Mike McCurry announcing the upcoming visit of President Glafcos Clerides of Cyprus

Statement by Chief of Staff Leon Panetta on the draft Inspector General's report on Energy Secretary Hazel O'Leary

Released June 6

Transcript of a press briefing by Press Secretary Mike McCurry

Transcript of a press briefing by Housing and Urban Development Secretary Henry Cisneros on the President's initiative on homeownership

Released June 7

Transcript of a press briefing by Press Secretary Mike McCurry

Announcement of the nominations for U.S. District Judge for the Northern District of Florida and U.S. Superior Court for the District of Columbia

Acts Approved by the President

Approved June 3

H.R. 1965 / Public Law 104-150
Coastal Zone Protection Act of 1996